

MINUTES

**MONTANA SENATE
58th LEGISLATURE - REGULAR SESSION
COMMITTEE ON STATE ADMINISTRATION**

Call to Order: By **CHAIRMAN JOHN COBB**, on February 24, 2003 at 3:30 P.M., in Room 335 Capitol.

ROLL CALL

Members Present:

Sen. John Cobb, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Kelly Gebhardt (R)
Sen. Carolyn Squires (D)
Sen. Mike Wheat (D)

Members Excused: None.

Members Absent: None.

Staff Present: Pat Murdo, Legislative Branch
Mona Spaulding, Committee Secretary

Please Note. These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing & Date Posted: SB 452, 2/20/2003; SJR 24,
2/21/2003; SB 404, 2/21/2003; SB
448, 2/20/2003; SB 455, 2/21/2003
Executive Action: SB 455; SJR 24; SB 404; SB 452; SB
448

HEARING ON SB 452

Sponsor: SENATOR MIKE TAYLOR, SD 37, PROCTOR

Proponents: None.

Opponents: None.

Informational Witnesses: **Dulcy Hubbert**, Office of the Commissioner of Political Practices (COPP); **Jim Scheier**, COPP; **Linda Vaughey**, Commissioner, COPP

Opening Statement by Sponsor: **SENATOR MIKE TAYLOR** said SB 452 was an attempt to have truth mean something again in the political process. He briefly reviewed the bill. **Pat Murdo** was asked to draft a conceptual amendment. People who don't file certain election materials and affidavits with the Commissioner of Political Practices (COPP) will be responsible for the same civil penalties as people who do. **SEN. TAYLOR** said Section 4 was the meat of the bill. It defines political civil libel, and sets a penalty subject to the provisions of 13-37-129 and 13-37-130.

Proponents' Testimony: None.

Opponents' Testimony: None.

Questions from Committee Members and Responses: **CHAIRMAN COBB** asked if language in Sections 1 and 2 were common in other states. **SEN. TAYLOR** said several states used part of the language.

SEN. SQUIRES asked the Commissioner if COPP could perform in the time-frame allowed. **COMMISSIONER LINDA VAUGHEY** said yes.

CHAIRMAN COBB asked if Section 4 could be administered by the COPP. **COMMISSIONER VAUGHEY** said yes; the language is specific, which makes it easier to administer.

Closing by Sponsor: **SEN. TAYLOR**, speaking to **SEN. SQUIRES**, said Section 1 allows people to present information to the COPP. Anyone wanting a copy of that information can have it for the cost of copies. In the last few days before an election, candidates who are attacked with false information will have a chance to speak to allegations. **SEN. TAYLOR** said SB 452 is an attempt to turn politics from a dirty game into a respectable game.

HEARING ON SJR 24

Sponsor: **SENATOR JERRY O'NEIL**, SD 42, COLUMBIA FALLS

Proponents: None.

Opponents: None.

Opening Statement by Sponsor: **SENATOR JERRY O'NEIL** said SJR 24 would send tribal money to the tribes directly, except for

highway funds. He said everyone likes the bill--conservatives, liberals, Libertarians and tribes alike. **EXHIBIT(sts41a01)**

Proponents' Testimony: None.

Opponents' Testimony: None.

Informational Testimony: John Chappuis, Deputy Director, Department of Public Health and Human Services (DPHHS)

Questions from Committee Members and Responses: SENATOR KELLY GEBHARDT asked how much money is transferred to the tribes through the state, and does the state charge a fee. John Chappuis (DPHHS) said several hundred thousand dollars, not including about sixteen million to Indian health services. Mr. Chappuis said no fee was charged.

Closing by Sponsor: SEN. O'NEIL thanked the Committee.

HEARING ON SB 404

Sponsor: SENATOR KEN TOOLE, SD 27, HELENA

Proponents: Patrick Judge, Montana Environmental Information Center (MEIC); Mark Mackin; Matt Leow, Montana Public Interest Research Group (MT-PIRG); Del Lonnquist, American Association of Retired Persons (AARP)

Opponents: Ronda Carpenter, Great Falls Chamber of Commerce

Informational Witnesses: Elaine Graveley, Election Deputy, Secretary of State (SOS)

Opening Statement by Sponsor: SENATOR KEN TOOLE said everyone should be able to find a place between the two sponsors of the bill--SEN. TOOLE and SENATOR ED BUTCHER--in support of SB 404. The bill recognizes that modern public forums are shopping malls. Over time, town squares have been lost. SB 404 provides reasonable access in public areas of malls for the initiative process. It also allows owners to place restrictions on time, place, and how people are approached. What an owner cannot do is deny access.

Proponents' Testimony: Matt Leow, Montana Public Interest Research Group (MT-PIRG), rose in support of SB 404 saying since the town square has disappeared, the mall has become the public meeting place. SB 404 helps promote public participation in the

political process without violating rights of shopping mall owners. If owners of retail shopping centers or malls maintain a policy of allowing charitable, civic, or political groups to use designated public areas on the premises, then they may not discriminate among signature gatherers of different political groups. **EXHIBIT(sts41a02)**

Mark Mackin, East Helena Valley, representing himself, stood in support of SB 404. He said it is hard to find a public place to gather signatures, and often petitioners are displaced when they have previously secured permission to collect signatures. SB 404 provides for consistency, and allows for planning of resources and the use of volunteers. **EXHIBIT(sts41a03)**

Del Lonnquist, American Association of Retired Persons (AARP), stood in strong support of SB 404.

Patrick Judge, Montana Environmental Information Center (MEIC), stood in support of SB 404 saying he, personally, has collected signatures and that places where signatures can be collected are declining. SB 404 will help keep the process healthy.

Opponents' Testimony: Ronda Carpenter, Great Falls Chamber of Commerce, rose in opposition to SB 404 because it violates owners' property rights. She said Boy Scouts selling popcorn was not the same as a political organization gathering signatures that may put a property owner out of business, raise taxes, or otherwise adversely affect the property. She said business owners hold private property, with the right to ask customers to leave the premises, and the right to chose whom they serve. It is not reasonable to force them to allow activities they don't believe in.

Questions from Committee Members and Responses: SENATOR MIKE SPRAGUE asked if "shopping center" has been defined in statute. **Ms. Carpenter** said she believed it was not. **Pat Murdo**, Legislative Services, said there was no definition in code.

SENATOR MIKE SPRAGUE asked if there was some urgency to make SB 404 effective on passage and approval. **SEN. TOOLE** said no, except that October, the usual date, is close to an election.

SEN. WHEAT asked if the bill intended to allow space inside the mall. **SEN. TOOLE** said yes. **SEN. WHEAT** asked if reasonable restrictions included time and place. **SEN. TOOLE** said yes.

SENATOR KELLY GEBHARDT said SB 404 appeared to him to concern a private property takings issue. He asked if now, permission could be requested for ballot gathering purposes. **SEN. TOOLE** said yes, but that mall property is different from residential or ranch property. It already is encumbered by legal restrictions and public accommodation laws; for instance, women

or Presbyterians cannot be denied access. To engage in a commercial venture is to accept all kinds of private property limitations. SB 404 is about community participation.

SEN. SPRAGUE said if common areas are intended, the bill ought to state that; he asked if a business owner had more than one commercial establishment in a mall, could he or she choose one or the other for the purposes of the bill; and he asked if an owner would be forced to participate if he or she was opposed to the subject matter, because customers might rightly assume the establishment shares those views. **SEN. TOOLE** said that it was clearly illegal to exclude on the basis of religion. He said that when signatures are gathered in front of K-Mart, people never assume that K-Mart has a position. He restated that access ought to be reasonable; but shouldn't pick and choose.

SEN. GEBHARDT asked about conflicts of interest in some locations where signatures might be collected. He gave for an example collecting signatures on a petition to eliminate the sale of all timber on State or Forest Service land in a saw mill office. **SEN. TOOLE** didn't think that would be likely, but said the principle was the same.

SEN. WHEAT said it seemed to him signatures were gathered everywhere in Bozeman; he didn't realize there was a problem.

SEN. TOOLE said there were many places where signatures couldn't be gathered including, in Helena, Capitol Hill Mall, Safeway, various strip malls, and Albertsons. He said there was something wrong with the process when the biggest places people gather are off-limits.

SEN. WHEAT asked if, in the process of research, any legal opinions regarding public common areas were discovered. **SEN. TOOLE** said Washington, Oregon, and California had case law specific to the standard of a public common, that allows other than retail-commercial activity in malls. Washington State has a Supreme Court decision. Oregon State has overturned a Supreme Court decision. Findings hinge on whether specific areas have become public commons.

SEN. WHEAT said the public areas being referred to actually were not public property, but were privately owned. Perhaps the terminology should be "public common areas. **SEN. TOOLE** said further clarification might be needed.

Closing by Sponsor: **SEN. TOOLE** thanked the Committee.

HEARING ON SB 448

Sponsor: **SENATOR LINDA NELSON, SD 49, MEDICINE LAKE**

Proponents: **Harold Blattie**, Montana Association of Counties (MACO); **Charles Brooks**, Yellowstone County; **Claudia Clifford**,

State Auditor's Office; **Alec Hansen**, Montana League of Cities and Towns (MLCT); **Dean Harmon**, past President MACO; **Ferris Toavs**, Roosevelt County Commissioner

Opponents: **Tom Schneider**, Montana Public Employees Association (MPEA)

Informational Witnesses: **John McEwen**, State Personnel Administrator; **Connie Welsh**, Department of Administration (DOA)

Opening Statement by Sponsor: **SENATOR LINDA NELSON** said SB 448 made provision for local government entities to enroll in State benefit plans. She said SB 448 was not a Montana Association of Counties (MACO) bill, and not all counties were on board. There is an amendment. **EXHIBIT(sts41a04)** **SEN. NELSON** reviewed the bill. Key points are that enrollees be allowed to join in aggregates of 1,000; aggregates can be comprised of enrollees from specific locations, or enrollees from an agency across locations; and that a five-year guarantee be made at the time of enrollment. She said aggregates spread the financial risk of enrolling the very ill, and a five-year guarantee assures continuity in the system. **SEN. NELSON** reviewed amendments, which make an exception for school districts, and allow people to be excluded from the plan if they are covered by a spousal insurance plan.

Proponents' Testimony: **Dean Harmon**, past President MACO, representing himself, said SB 448 filled a health insurance need. He submitted results of a survey taken in February, 2002 **EXHIBIT(sts41a05)**, and letters from counties. **EXHIBIT(sts41a06)** **EXHIBIT(sts41a07)** **EXHIBIT(sts41a08)** **EXHIBIT(sts41a09)** **EXHIBIT(sts41a10)** **EXHIBIT(sts41a11)** **EXHIBIT(sts41a12)** **EXHIBIT(sts41a13)** **EXHIBIT(sts41a14)** **EXHIBIT(sts41a15)** **EXHIBIT(sts41a16)** **EXHIBIT(sts41a17)** **EXHIBIT(sts41a18)** **EXHIBIT(sts41a19)** **EXHIBIT(sts41a20)** **EXHIBIT(sts41a21)** **EXHIBIT(sts41a22)** **EXHIBIT(sts41a23)** Thirty-three counties responded to the survey with strong interest or a letter of support.

Mr. Harmon said Roosevelt County had been rejected by several companies because one person in the pool had cancer. Now that lady is deceased, and Roosevelt County is now a good risk. He said that was wrong. **Mr. Harmon** said every reasonable effort had been made to achieve a zero funding impact on the State. The five-year commitment for new aggregate subscriptions levels the risk, and achieves stability in rates, coverage, and access to subscribers. **Mr. Harmon** said being part of a large group enrollment is essential.

Alec Hansen, Montana League of Cities and Towns (MLCT), stood in support of SB 448 saying health insurance is an important issue. He said many employees can't afford the cost of insurance, and especially can't afford to insure families of employees. **Mr.**

Hansen said uninsured local government employees and their families contributed to the cost of coverage for everyone else because they cause higher premium rates, because medical inflation includes uninsured claims. SB 448 is one way to stabilize the cost of health insurance by stabilizing premiums, making it more predictable and affordable. Health insurance pools for cities and counties allow local governments to participate in State programs, which might be the most efficient and economical way to provide coverage. He mentioned the safeguards: a five-year commitment guarantee, and aggregate membership enrollment. **Mr.**

Hansen said it was not the intention to cause difficulties for the State, just to provide affordable health insurance for city and county employees.

Harold Blattie, Montana Association of Counties (MACO), thanked past President **Dean Harmon** for his testimony. He said this was not a MACO bill, but they are in support of SB 448. There are two crucial elements: 1) the five-year enrollment commitment, and 2) the amendment to line 17 removing the word "all" from "all employees."

Ferris Toavs, Roosevelt County Commissioner, stood in support of SB 448.

Claudia Clifford, State Auditor's Office, said Insurance Commissioner **John Morrison** is supportive of the concept. It is difficult to find coverage in the private market. **Ms. Clifford** said both the five-year commitment and the aggregate pool enrollment were important elements in SB 448.

Opponents' Testimony: **Tom Schneider**, Montana Public Employees Association (MPEA), said he was opposed to SB 448 as it stands, but not opposed to the concept of allowing local governments into the State plan. **Mr. Schneider** said it was important to understand that new enrollees would have to buy their way in. Nothing in SB 448 talks about reserves, and new entities can't come into the group plan without reserves. The current reserve fund belongs to State employees, and was not money from the general fund. **Mr. Schneider** gave a historical overview. In 1976 a five-member council oversaw the creation of the State plan by combining all the existing plans into one. It was a Blue Cross/Blue Shield plan (BC/BS), and BC/BS underwrote the risk, not the State of Montana. After five years, the State took part of the risk, and also took back part of the money if claims were less than premiums. Premiums were not part of State appropriations, but came from

employees, and that is what allowed the State to go to a self insured plan. The State is now looking at higher premiums because reserves are low. SB 448 allows new groups to participate without bringing a reserve fund based on an assessment of their experience ratings. The way SB 448 reads, up-front costs would have to be paid from State reserves, if claims were more than premiums collected. **Mr. Schneider** said new enrollments always consider experience and medical backgrounds of enrollees to compute up-front dollars for reserve funds.

Mr. Schneider said SB 448 creates a new plan by statute. Rather than create a new plan, local government employees should come into the State health plan. Otherwise there may be problems with State contracts.

Mr. Schneider said there was more to be done on SB 448. It needs to include language for financial stability. If the bill is passed from Committee, it needs to protect people already in the State plan.

Informational Testimony: **John McEwen**, State Personnel Administrator, said he had no position on SB 448. He agreed with **Tom Schneider's** testimony. There is not sufficient money in the reserve to implement SB 448. He said administering for local government employees would also cost more. The State is efficient now because everyone is on the same payroll system, and it is one entity. *{Tape: 2; Side: A}*

Questions from Committee Members and Responses: **SENATOR KELLY GEBHARDT** asked if the proposal was to include everyone in the same pool, getting the same experience rating. **Mr. Harmon** said yes. The original suggestion was to take any entity with report history and for three years charge them a premium which would not be less than their actual cost. Then that group would meld in and not become a liability. It was decided that administration would be excessively cumbersome, and that concept was abandoned.

SEN. GEBHARDT said language in Section 1, subsection 2, line 17, needed to be changed. The way it reads, anyone hired for incidental labor--for two days, or two weeks--would have to be enrolled in the plan. **Mr. Harmon** said FTEs were intended.

SEN. GEBHARDT asked **Tom Schneider** what SEBAC stood for. **Mr. Schneider** said State Employees' Benefits Advisory Council.

SEN. GEBHARDT asked what a reasonable reserve buy-in amount would be. **Mr. Schneider** said it was an actuarial calculation, the same as if the State were going out to get bids. Everything an actuary needed to determine a rate would be considered--including, claims for the last five years, the experience history of the people involved, ages, and the sex of enrollees. The calculation would determine the reserve amount needed for the group to take care of their health care problems. **SEN. GEBHARDT** said sex could not be used to determine rates in Montana.

CHAIRMAN COBB asked **Mr. Schneider** if he thought this was a good idea, but ought to wait two years in order to get risk assessments and reserves, and to avoid unintended consequences. **Mr. Schneider** said the simple way to implement the bill would be to add language letting local government employees into the State plan. Only a word or two would need to be changed, because now enrollees are identified as State employees. But, **Mr. Schneider** said, the State is not in control. There isn't a vote of State employees to see whether they want to let local government employees join the plan. **Mr. Schneider** said the concept could work, but the State needed the power to determine how local government employees would be brought in.

SENATOR MIKE SPRAGUE asked if the State plan had a moratorium or waiver to protect against pre-existing conditions. **Mr. Schneider** said if a new employee was presently enrolled in a health insurance plan with basically the same benefits as the State plan, there would be no waiting period for pre-existing conditions. If the new employee was not covered by a health plan, there would be a one-year waiting period.

SEN. SPRAGUE asked how it would work if city, county and municipal plans were accepted; would people be accepted because they are insured, or would they be left with the current insurer until the time period expired. **Mr. Schneider** said SB 448 now provides for any group of 1000 people to be accepted without looking at pre-existing conditions, experience factors, or anything else. He said that is a problem with the bill.

SEN. SPRAGUE asked the average age of a State employee, and how that compared with a county or municipal employee. **Mr. Schneider** said the average age of a State employee was 43-44 years, and going up every year. **Ferris Toavs**, Roosevelt County Commissioner, said he had never done that calculation because there have been several age discrimination claims brought against the county.

SEN. GEBHARDT said counties and cities allowed people to work without insurance because employees had to pay a portion of the premium. SB 448 allows those employees, who are not covered now, to come into the plan. **Mr. Schneider** said yes, and it is more complicated than that because a State contribution is paid for everybody who works for the State. There is no opt-out for the State contribution. He said that would have to be required from local governments also. **SEN. GEBHARDT** said it looked as if local governments were willing to do that, but he was still concerned about bring local government employees into the plan when they may have long-time employees, but were not insured. **Mr. Schneider** said the amendment to SB 448 says that people who are insured through another plan don't have to be included. With the State plan, even if an employee is covered by spousal insurance, the State plan still collects the State contribution because it is necessary for the fund reserve. **Mr. Schneider** said this was a

big thing because it is difficult to anticipate the costs of bringing in 1000 people from 30 counties without putting a burden on people already in the plan.

SEN. GEBHARDT noted the effective date of 1/1/2004 would allow eight months to work through problems. He asked if that would be enough time. **Mr. Schneider** said only if the bill required the group coming in to bring sufficient reserves. **SEN. GEBHARDT** said that concerned the money, and asked about the timeline. **Mr. McEwen** said rates had to be set by August 1 for the succeeding plan year. In order to add a group by 1/1/04, everything would have to be worked out by 8/1/03. **SEN. GEBHARDT** said if the bill was signed by the end of April, that would leave four months. He asked how much of that time the State would need. **Mr. McEwen** said it would take three to four months of work to set a premium; that would allow time to work with former insurers after information has been collected to calculate the risk. He said someone else would have to gather the enrollment group and the information on the group members. **SEN. GEBHARDT** asked **Mr. Harmon** how much time it would take the counties to do that. **Mr. Harmon** said less than 60 days. **SEN. GEBHARDT** summarized that the counties could do their work in 45-60 days, leaving 2 to 2-1/2 months for the State.

SENATOR MIKE WHEAT said he had the impression that some negotiation had been done before now. **Mr. Schneider** said no, but that the issue had been around awhile, and didn't come out of the clear blue sky. **SEN. WHEAT** asked when he first saw the bill. **Mr. Schneider** said Saturday. **SEN. WHEAT** asked if he had drafted any language. **Mr. Schneider** said no, but he has thought about it. **SEN. WHEAT** asked if he would rather SB 448 die. **Mr. Schneider** said he wouldn't say that; but he would like to see the idea studied. That would give two years, which would be nice; but also two years when local governmental employees might see their health insurance rates double. **SEN. WHEAT** said he was looking for some middle ground. He is sensitive to the health of the State plan's reserves, but also sensitive to people having a hard time getting health insurance. He asked what needed to be done to bring the two parties together. **Mr. Schneider** said all that was needed was a clause that counties would be financially responsible for the past medical experience that their group brought into the State group. He said a new health group should not be created. It would be better to bring local government employees into the State plan.

SEN. WHEAT asked **Mr. Harmon** if he would be willing to work on amendatory language with **Mr. Schneider** while the Committee continued its work. **Mr. Harmon** said yes.

CHAIRMAN COBB asked if a feasibility study wasn't underway now. **ALEC HANSEN** said yes, but it is not going to be put together, at the earliest, until next June. Actuarial data will

have been collected, and much of the analysis will have been done to make the process easier. He said there may be economies of scale for the State plan.

SEN. WHEAT asked **Mr. Hansen** if he would be willing to work on amendatory language now in order to move the process ahead. **Mr. Hansen** said yes.

CHAIRMAN COBB asked the parties to try to reach agreement on amendatory language and report back to Committee by 5:30 p.m. today. He advised not to draft language that added financial burden to State employees.

SEN. SPRAGUE asked if it was correct that communities with smaller populations were in favor of the bill, and that larger population centers were not. **Mr. Hansen** said there was no division on the issue, everyone wanted it; but that the problem was huge. He said something had to be done, and the parties would try to reach an agreement on amendatory language.

SEN. GEBHARDT suggested that the group consider 2005 if time was too short to meet the 2004 deadline.

Closing by Sponsor: **SEN. LINDA NELSON** said she was sympathetic to **Mr. Schneider's** concerns. It was never intended to jeopardize the State plan. Something needs to be done. Local governments have tried occasionally to discuss this with the State with little success. **SEN. NELSON** thanked **Mr. Harmon** for his work.

HEARING ON SB 455

Sponsor: **SENATOR MIKE COONEY, SD 26, HELENA**

Proponents: **Ronda Carpenter**; **Ed Eaton**, American Association of Retired Persons (AARP); **Patrick Judge**, Montana Environmental Information Center (MEIC); **Matt Leow**, Montana Public Interest Research Group (MPIRG); **Mark Mackin**

Opponents:

Informational Witnesses: **Elaine Graveley**, Elections Deputy, Secretary of State (SOS)

Opening Statement by Sponsor: **SENATOR MIKE COONEY** said SB 455 was brought at the request of a friend and constituent who is actively involved in the initiative process. He reviewed the bill. The word "right" is replaced with "power" on line 13, to conform to Constitutional language being repeated in the first paragraph. It allows for conformity with a U.S. Supreme Court ruling prohibiting disclosure of the identity of signature gatherers, paid or unpaid, and amounts paid to individual signature gatherers. Disclosure of names of payees and amounts

spent is permitted. SB 455 provides for display of the top portion--number, petition title, and statement of implication--of each petition at primary election polling places, in order to provide additional notification to voters of the initiative and referendum petitions approved for signature circulation. **SEN.**

COONEY said postings at primary polling places could possibly be of concern to election administrators. He has conferred with the attorney from the Secretary of State's office (SOS), who suggested that election administrators could take postings directly from the SOS website to print off. He showed an example.

SEN. COONEY said SB 455 originally included other ideas, but has been honed down. In the future, other suggestions may be made to help make the initiative referendum process clearer and the law consistent.

Proponents' Testimony: **Mark Mackin**, representing himself, said SB 455 comes from concerns he's had over a period of time.

EXHIBIT (sts41a24) He reviewed the bill.

Patrick Judge, Montana Environmental Information Center (MEIC), rose in support of SB 455.

Matt Leow, Montana Public Interest Research Group (MPIRG), stood in support of SB 455 saying it was a way to get information to voters faster.

Ed Eaton, American Association of Retired Persons (AARP), stood in support of SB 455.

nda Carpenter, representing herself as Carpenter Consulting, stood in support of SB 455 saying the changes were good. She works with clients to watch the signature gathering process. Currently, to see what's on an initiative, a person has to go to the table. Then the information may not be correct. **Ms. Carpenter** suggested that a fiscal statement be added to the information available at primary polling places.

Opponents' Testimony: None.

Questions from Committee Members and Responses: **SENATOR MIKE WHEAT** said displays would be difficult to post in some polling places. **SEN. COONEY** said SB 455 was a reasonable way to disseminate information to the public. Some area could be found in polling places, where the public would have access to it.

SEN. WHEAT asked why information was posted just before voting. **SEN. COONEY** said it was made available at other times: ads in local papers, the Secretary of State promotes voter education, there are forums, radio, TV; but most signatures tend to be gathered in the primary election.

SENATOR CAROLYN SQUIRES asked when the Voter Information Pamphlet came out. **SEN. COONEY** said in October, but this did not duplicate information in the Voter Information Pamphlet. **Elaine Graveley**, Elections Deputy, SOS, said petitions come out at the time of the primary ballot.

SEN. GEBHARDT asked if SB 455 affects how fees are set. **Ms. Graveley** said no.

CHAIRMAN COBB suggested a conceptual amendment to add a fiscal statement in Section D, line 24. **SEN. COONEY** had no objection.

Closing by Sponsor: **SEN. COONEY** thanked the Committee.

EXECUTIVE ACTION SB 455

Motion: **SEN. SPRAGUE** moved that SB 455 DO PASS.

Motion: **CHAIRMAN COBB** moved the **CONCEPTUAL AMENDMENT TO SB 455**.

Motion/Vote: **SEN. GEBHARDT** called for the question on **THE AMENDMENTS TO SB 455** . Motion carried unanimously.

Motion/Vote: **CHAIRMAN COBB** moved that SB 455 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION SJR 24

Motion/Vote: **SEN. SQUIRES** moved that SJR 24 DO PASS. Motion carried unanimously.

EXECUTIVE ACTION SB 452

Motion: **SEN. SPRAGUE** moved that SB 452 DO PASS.

Discussion: **SEN. SQUIRES** said she didn't care for SB 452, and felt it dealt with a personal issue.

SEN. SPRAGUE said it bothered him as well.

CHAIRMAN COBB asked if the Committee wanted to hold SB 452.

SEN. SPRAGUE withdrew his motion.

CHAIRMAN COBB said the bill would be considered later today or tomorrow.

Motion: **SEN. SPRAGUE** withdrew his motion on SB 452.

EXECUTIVE ACTION SB 404

Motion/Vote: SEN. WHEAT moved that SB 404 DO PASS. Motion failed 2-3 with SQUIRES and WHEAT voting aye.

Motion/Vote: SEN. GEBHARDT moved that SB 404 BE INDEFINITELY POSTPONED. Motion carried unanimously.

EXECUTIVE ACTION SB 452

Discussion: The Committee discussed concerns with SB 452 regarding the definition of "reckless disregard," "knowingly and willfully," and "false statement." Reference was made to a) through i) in the bill which offered clarification.

CHAIRMAN COBB asked if SEN. TAYLOR wanted the amendment to Section 1 put on the bill. He said yes. Pat Murdo said the conceptual amendment would be a new subsection to Section 1, providing for a person who fails to file a report.

Motion: SEN. SPRAGUE moved that SB 452 DO PASS.

Motion: SEN. SPRAGUE moved CONCEPTUAL AMENDMENTS TO SB 452. Motion carried unanimously.

Motion: CHAIRMAN COBB moved to STRIKE SECTION 1 FROM SB 452, which INCLUDES THE CONCEPTUAL AMENDMENTS. Motion carried 3-2 with SPRAGUE and GEBHARDT voting no.

Motion/Vote: SEN. SPRAGUE moved that SB 452 DO PASS AS AMENDED. Motion passed 3-2 with SQUIRES and WHEAT voting no.

EXECUTIVE ACTION SB 448

Motion: CHAIRMAN COBB moved that SB 448 DO PASS.

Discussion: SENATOR LINDA NELSON, Tom Schneider, Dean Harmon, John McEwen, and other concerned parties returned to Committee to discuss conceptual amendments to SB 448.

Two sentences were added to new Section 1: "The Department can establish the risk and administrative costs in setting premiums for local government entities. The risk costs apply to any new group for the first three years."

Page 1, line 27, replaces subsection 5 with "local governmental entities are allowed proportional representation on the Advisory Council." SEN. SPRAGUE clarified that proportion was defined as numerical proportion.

Changes were made concerning the words "and local," "State Employee Group Benefit Plans," and wording for eligibility criteria.

Motion/Vote: SEN. SPRAGUE moved CONCEPTUAL AMENDMENTS TO SB 448 DO PASS. Motion carried unanimously.

Motion/Vote: CHAIRMAN COBB moved Sections 2, 3, 4, and 5 of the AMENDMENTS TO SB 448. (SB044801.asb) Motion carried unanimously.

Motion/Vote: CHAIRMAN COBB moved that SB 448 DO PASS AS AMENDED. Motion carried unanimously.

ADJOURNMENT

Adjournment: 5:50 P.M.

SEN. JOHN COBB, Chairman

MONA SPAULDING, Secretary

JC/MS

EXHIBIT (sts41aad)